STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

Settlement Tracking No.

SA-AE-06-0025

SYNGENTA CROP PROTECTION, INC.

Enforcement Tracking No.

AI # 2367

AE-CN-02-0209 AE-CN-04-0127

PROCEEDINGS UNDER THE LOUISIANA

ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.

AE-CN-06-0063

SETTLEMENT

The following Settlement is hereby agreed to between Syngenta Crop Protection, Inc. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

Respondent is a corporation who owns and/or operates an agricultural chemical production facility at 3905 Louisiana Highway 75 in St. Gabriel, Iberville Parish, Louisiana ("the Facility").

Π

On March 31, 2003, the Department issued to Respondent, a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-02-0209, which was based upon the following findings of fact:

On or about January 13, 2003, a file review of Syngenta Crop Protection, Inc.'s St. Gabriel Plant was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the review:

- A. The Department received a letter from the Respondent dated February 28, 2002, regarding an unauthorized release that occurred on February 22, 2002. The Respondent provided the Department with additional information concerning the release in two letters dated May 30, 2002, and September 23, 2002. According to the letters submitted by the Respondent, the unauthorized release occurred while site employees were preparing "C" storage tank for a routine inspection. During the preparations, the transfer line from "B" storage tank was blown back to "C" storage tank. When the transfer line was pressured up, an adjacent line on the south end of "C" storage tank released approximately 81 pounds of hydrogen cyanide at an open flange. Two employees were exposed to the hydrogen cyanide while wearing personal protective equipment and were transported to a local hospital for medical treatment. The unauthorized release was reportedly preventable due to the failure to follow unit and plant procedures. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Sections 2057(A)(1) and (A)(2) of the Act.
- B. The Department received a letter from the Respondent dated December 17, 2002, regarding a release of 3,910 pounds of toluene that occurred on December 9, 2002. According to the Respondent's letter, site personnel were in the process of decanting a water-toluene mixture from the HPF unit when the release occurred. Personnel reportedly were unaware when the water-toluene split was complete and continued the process, resulting in the toluene spill. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Sections 2057(A)(1) and (A)(2) of the Act.

Ш

On July 19, 2004, the Department issued to Respondent, a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-04-0127, which was based upon the following findings of fact:

The Respondent operates the Westvaco furnace that removes organics from carbon used in the Wastewater Treatment Unit at the St. Gabriel facility. Air Permit No. 2718-V0 issued to the facility on April 30, 2001, included a requirement to install a continuous emission monitor ("CEM")

for Emission Point No. 4-78 (Westvaco furnace). This monitor was to measure various emissions including carbon monoxide. After installation and certification of the CEM in June 2002, the Respondent requested an administrative amendment to change the carbon monoxide emission rate for Emission Point No. 4-78 from 0.24 lb/hr (average) and 0.59 lb/hr (maximum) to 0.7 lb/hr (average) and 3.5 lb/hr (maximum). This amendment was approved by the Department in January 2003. Upon further evaluation of the data obtained from the CEM, Syngenta determined that elevated carbon monoxide levels ("spikes") were observed coming from Emission Point No. 4-78 episodically under certain conditions. These conditions were observed when the safety-related independent protection layer tripped the furnace and afterburner associated with the furnace.

IV

On or about April 14, 2004, a file review of the Respondent's facility was conducted to determine the degree of compliance with the Act and the Air Quality Regulations. The following violations were noted during the course of the review:

- A. The Department received the Respondent's Title V quarterly deviation reports dated June 23, 2003, September 12, 2003, December 16, 2003, and March 18, 2004, for the periods encompassing January through March 2003, April through June 2003, July through September 2003, and October through December 2003. According to the Respondent's reports, the Respondent experienced carbon monoxide emission in excess of permitted limits at Emission Point No. 4-78 on 21 separate occasions during 2003. Each permit instance of carbon monoxide emissions in excess of permitted limits is a violation of General Condition II of Air Permit No. 2718-V0, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- B. The Department received the Respondent's letter dated January 24, 2001, regarding a deviation of Air Permit No.1280-00007-13 that occurred at Emission Point No. 1-92 (Wastewater Solids Treatment). According to the Respondent's letter, the Respondent originally based emissions from this source on an expected average chlorine concentration in the system of 10 parts per million, which would result in emissions of 0.04 tons per year of chlorine as demonstrated in Air Permit No. 1280-00007-13. The Respondent later discovered after reviewing actual data that the actual concentration is approximately 40 parts per million, resulting in chlorine emissions of approximately 0.16 tons per year. The

Respondent applied for increased permitted chlorine emission limits for this source, and received the increased limits in Air Permit No. 2718-V0, issued on April 30, 2001. By emitting chlorine in excess of permitted limits from Emission Point No.1-92, the Respondent is in violation of General Condition II of Air Permit No. 1280-00007-13, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

- C. The Respondent's facility is subject to 40 CFR 63 Subpart DD National Emission Standards for Hazardous Air Pollutants from Off-Site Waste and Recovery Operations. According to the Respondent's Title V semiannual monitoring form dated September 9, 2003, the Respondent's hazardous waste tank emissions are controlled by a carbon adsorption system. The Respondent conducts daily monitoring of organic compounds to determine breakthrough of the lead carbon canister. When carbon breakthrough is indicated, the Respondent replaces the lead canister. The Respondent failed to replace the lead canister on March 14, 2003, April 21, 2003, and April 22, 2003, after carbon breakthrough was indicated. This is a violation of 40 CFR 63.693(d)(4)(iii)(A), which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. This is also a violation of the Part 70 Specific Condition of Air Permit No. 2718-V0, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057 (A)(2) of the Act.
- D. The Department received the Respondent's letter dated January 31, 2003, regarding an incident that occurred on January 25-27, 2003. Approximately 60 pounds of hydrogen cyanide, 2,310 pounds of carbon monoxide, and 64 pounds of acetonitrile were reportedly released to the atmosphere during the incident. According to the Respondent's report, the Respondent's Waste Gas Boiler (Emission Point No. 1-76) control indicated excess carbon monoxide in the exhaust stack on January 25, 2003. Investigation into the incident reportedly revealed that an open valve caused by operator error had allowed a portion of the "waste gas fuel" to backflow through the combustion exhaust gas recycle line and be emitted through the stack without combustion, resulting in the release of emissions to the atmosphere at Emission Point No. 1-76. Therefore, the root cause of the incident was operator error. This is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of General Condition II of Air Permit No. 1280-00007-14, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

V

An inspection of the Respondent's facility was performed on or about March 1 through March 5, 2004. The Field Interview Form (FIF) and inspection report noted that the Westvaco Carbon Regeneration Furnace (Emission Point No. 4-78) continued to experience carbon monoxide

emissions in excess of permitted limits. This issue was cited in Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0127 and resolved, herein this Settlement Agreement.

The Respondent met with representatives of the Department on or about January 26, 2005, to continue settlement discussions in regard to Compliance Order & Notice of Potential Penalty, Enforcement Tracking Nos. AE-CN-02-0209 and AE-CN-04-0127. In this meeting, the Department stated that additional issues were being reviewed. The Respondent and the Department agreed that these issues could be discussed and possibly included in the settlement if the issues were indeed determined to be violations. The Respondent agreed to provide additional information on the issues. The Respondent submitted a letter dated May 9, 2005, detailing the issues in question.

The remaining violations noted herein below are not the subject matter of an enforcement action issued by the Department. However, the Department and the Respondent desire to settle and compromise the violations noted as follows:

Based upon further review on or about January 8, 2006, of the information provided by the Respondent, the following violations were noted:

A) The Department received an unauthorized release report notification from the Respondent dated June 11, 2004, indicating a release of approximately 93.3 pounds of carbon tetrachloride. The release occurred on or about May 23, 2004, from approximately 10:28 p.m. until 11:12 p.m. According to the Respondent's report, the release occurred when two (2) boilers went offline requiring an unscheduled shutdown of site processes. In a data review on June 7, 2004, the Respondent determined that the unit air pollution control device (vent gas combustor) safety interlock shutdown and the resulting diversion to the unit scrubber caused the scrubber to exceed it's air permit limit for carbon tetrachloride. In a conversation with a representative of the Respondent on or about October 5, 2005, it was noted that the larger of the two boilers lost its flame. The smaller boiler was unable to handle the load and the stream was routed to the scrubber (Emission Point No. 002b) permitted to receive the stream. However, the scrubber was plugged, and the stream was routed to another scrubber (Emission Point No. 002) which was not allowed to receive the stream. The Respondent's representative stated that the scrubber pluggage was due to the new natural gas purification system which was being debugged. The natural gas purification

system led to sludge build-up in the system which was sent through to the scrubber (Emission Point No. 002b). The failure to have the pollution control device (Vent Gas Combustor) operating whenever any emissions are being made which can be controlled by the facilities is a violation of LAC 33:III.905. The failure to have the VGC operating caused the Respondent to route the emissions to the scrubber (Emission Point No. 002b) which is permitted to accept the stream. However, due to pluggage in the scrubber the stream was routed to the scrubber (Emission Point No. 002) which led to an exceedance of the permitted maximum pound per hour emission limitation for carbon tetrachloride. The exceedance of the scrubber's (Emission Point No. 002) maximum pound per hour emission rate for carbon tetrachloride listed in the Hourly Emission Rates is a violation of General Condition II of Air Permit No. 1280-00007-14 and LAC 33:III.501.C.4. The failure to route the stream to the scrubber (Emission Point No. 002b) that is permitted to accept it is a violation of State Only Specific Condition No. 11 and LAC 33:III.5109.A. This is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

The Respondent noted in the May 9, 2005 letter that a number of corrective actions have been taken including revised procedures during startup and shutdown while maintaining operation of air pollution control devices; additional training of unit personnel; adding analyzer trends to the control room monitor; and replacement of parts.

B) As reported by the Respondent in the quarterly deviation report dated June 24, 2004, required by Part 70 General Condition R and the Title V semiannual monitoring report dated September 28, 2004, on January 25, 2004, the oxygen dropped below two (2) percent four (4) times with each of these events lasting less than one (1) minute and none exceeding the allowable hourly emission rate. Another series of low oxygen occurred during the time frame of February 9, 2004 through March 22, 2004. Seven events occurred during this period and lasted less than one (1) minute with none exceeding the allowable hourly emission rate. Nine (9) additional events of low oxygen were reported to have occurred between April 9, 2004 and May 13, 2004, lasting less than two (2) minutes in duration. Each of these events lasted between one (1) and two (2) minutes. The failure to maintain a minimum of two (2) percent by volume oxygen in the flue gas for the Vent Gas Combuster (Emission Point No. 7-87) is a violation of State Only Specific Condition 7.A of Title V Permit No. 2842-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

The Respondent noted in the letter dated May 9, 2005, that it had undertaken a number of measures to address this issue including replacement of equipment, targeted maintenance and a number of other measures to reduce the oxygen swings and to ensure operation consistent with the stack oxygen limitations.

C) A compliance test for the MPF Vent Combustor (Emission Point No. 7-87) required by State Only Specific Condition No. 6 of Title V Permit No. 2842-V1 was conducted on March 9-10, 2004. The test results indicated that the combustor did not meet the 99.99 percent destruction removal efficiency (DRE) for total hydrocarbon required by Title V Permit No. 2842-V1, but achieved 99.70 percent DRE. The failure to achieve a 99.99 percent DRE for total hydrocarbon is a violation of State Only Specific Condition 1 as required in Table 2 and State Only Specific Condition No. 6 of Title V Permit No. 2842-V1, LAC 33:III.501.C.4, LAC 33:III.5109.A and Sections 2057(A)(1) and 2057(A)(2) of the Act.

By letter dated February 8, 2005, the Respondent requested to adjust the permitted emissions for the MPF Vent Combustor and the DRE based on the compliance testing conducted in 2004. An Administrative Amendment was issued on February 21, 2005, to make the changes.

D) In the semiannual report required by 40 CFR 63 Subpart DD dated July 14, 2004, and the Title V semiannual monitoring report dated September 20, 2004, the Respondent noted that it conducts daily monitoring of the carbon adsorption system for the Incinerator Feed Tanks (Emission Point No. 5-74) with an organic vapor analyzer to determine breakthrough of the lead carbon canister. When certain criteria are met, the lead canister is replaced. On February 7, 2004, these criteria were met, but the canisters were not replaced according to the procedure. The Respondent noted in a phone conversation on or about October 5, 2004, that the carbon canister had not been replaced until it was discovered after monitoring the next day. The Respondent failed to immediately replace the lead carbon canisters on February 7, 2004, when the operating parameters were exceeded indicating carbon breakthrough. This is a violation of 40 CFR 63.693(d)(4)(iii)(A) which language has been adopted as a Louisiana regulation in LAC 33:III.5122. This is also a violation of the Part 70 Specific Condition as required by Table 2 of Title V Permit No. 2718-V0, LAC 33:III.501.C.4, LAC 33:III.905 and Section 2057(A)(2) of the Act.

The Respondent noted in the Title V semiannual monitoring report dated September 20, 2004, that the reports were modified to require a second daily review of data to ensure that this event does not recur.

E) The Respondent reported in letters dated August 6, 2002, February 17, 2003, and May 9, 2005, that while assessing its Herbicide Manufacturing facility for compliance with the Pesticide Active Ingredient MACT standard, testing results found that VOC emissions may have been under-permitted and may have been higher than originally determined for the Post Stripper (made up of separate permitted emission points most notably the NASH vacuum vents [Emission Point 012], rotary drum filter vents [Emission Point No. 013], an effluent day tank [Emission Point No. 2114-F] and a spray dryer exhaust [Emission Point No. 001]) including unaccounted for chlorotoluenes and hexachlorobenzene emissions. The Respondent's investigation determined that the speciation of VOC was not accurate and that

certain compounds were not specifically identified, but the total emissions were permitted correctly. Each of the Respondent's failure to include and/or accurately quantify, in the permit application for Air Permit No. 1280-00007-14, all VOC emissions from each emission point associated with the Post Stripper is a violation of LAC 33:III.517.D.3.d and Sections 2057(A)(1) and 2057(A)(2) of the Act. The failure to permit all of the VOC emissions is also a violation of LAC 33:III.501.C.2.

The Respondent noted in the letter dated August 6, 2002, it would install a thermal oxidizer by December 2003 to remove the majority of the VOCs at an efficiency of greater than 99 percent. A request dated June 18, 2005, was submitted by the Respondent for authorization to construct and operate a new thermal oxidizer. An Authorization to Construct/Approval to Operate was issued August 6, 2003, for the construction and operation of the HPF Thermal Oxidizer. In addition, the Respondent noted in the letter dated May 9, 2005, that any required modifications to the permit were done in conjunction with the permitting of the new thermal oxidizer that effectively removed these VOCs. The revised modification application for the Herbicide Production Facility was submitted under cover letter dated May 20, 2004, which included the HPF Thermal Oxidizer (Emission Point No. 1-03). Title V Permit No. 2904-V0 was issued on August 11, 2005, which incorporated the HPF Thermal Oxidizer (Emission Point No. 1-03) and any changes in emissions.

F) The Respondent reported in the Immediate Startup, Shutdown, and Malfunction report dated December 17, 2005, during a post unit shutdown activity in the Herbicide Production Facility, the Thermal Oxidizer (Emission Point No. 1-03) shutdown due to elevated "lower explosive limit" readings in the header leading to the thermal oxidizer. According to the Startup, Shutdown, Malfunction Plan, the vent header is to be diverted to a backup control device, the CATV (Emission Point No. 4-74) during these periods. However, during this event on December 12, 2004, the stream was only partially diverted to the CATV. As a result, an estimated eight (8) pounds of toluene was vented to the atmosphere over 12 minutes. The Respondent failed to follow the startup, shutdown, and malfunction plan for this malfunction event. This is a violation of 40 CFR 63.6(e)(3)(ii) and Section 2057(A)(2) of the Act. This is a also a violation of LAC 33:III.905 which states "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

VI

On April 28, 2006, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-06-0063, which was based upon the following findings of fact:

The Department received a letter from the Respondent dated April 9, 2006. In this letter the Respondent noted that the Environmental Operations portion of the facility operates pursuant to Title V Permit No. 2718-V0 issued on April 30, 2001. The expiration date for this permit is April 30, 2006. Therefore the due date for submittal of the Title V renewal application was on or around November 2, 2005, or 180 days prior to permit expiration. The Respondent submitted the Title V permit renewal application to the Department's Office of Environmental Services, Permits Division under cover letter dated January 27, 2006. The Respondent explained in the letter that an inadvertent oversight led to submitting the renewal Title V permit application on January 27, 2006.

VII

The Department's Permits Division expedited the renewal Title V permit application and published a public notice of the "Proposed Part 70 Air Operating Permit Renewal and Modification" on March 30, 2006, as required by LAC 33:III.507 and LAC 33:III.531. The public notice and comment period ended at 12:30 p.m. on May 1, 2006, and the expiration date for Title V Permit No. 2718-V0 was April 30, 2006.

VIII

In the letter dated April 9, 2006, referenced in Paragraph VI, the Respondent requested authorization to continue to operate under its existing permit for a short time period until the Part 70 renewal permit, then in public notice, is issued. The Respondent noted that it will continue to satisfy

all terms and conditions of the existing permit until the renewed permit is finalized. According to the Respondent's April 9, 2006 letter, no new emission sources or changes to permit terms are being requested.

IX

On or about April 12, 2006, representatives of the Respondent met with the Department. In the meeting, representatives of the Respondent referenced the April 9, 2006 letter submitted to the Department which discussed the reason for the late submittal of the Title V renewal application for Title V Permit No. 2718-V0.

X

On or about April 12, 2006, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violation was noted during the course of the file review:

The Respondent failed to submit an application for renewal of Title V Permit No. 2718-V0 at least six (6) months prior to the date of the permit expiration. The failure to submit the Title V permit renewal application at least six (6) months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4, Part 70 General Condition A of Title V Permit No. 2718-V0, and Section 2057(A)(2) of the Act.

ΧI

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

XII

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00), of which TWO THOUSAND TWO HUNDRED EIGHT AND 68/100 DOLLARS (\$2,208.68) represents DEQ's enforcement costs, in

settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

XIII

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Orders & Notice of Potential Penalties and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

XIV

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

ΧV

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

XVI

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Iberville Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XVII

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XVIII

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XIX

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

SYNGENTA CROP PROTECTION, INC.

| | BY: |
|-----------------------------|--|
| | (Signature) |
| | (Print) |
| | TITLE: |
| | licate original before me this day of, at |
| | NOTARY PUBLIC (ID #) |
| | (Print) |
| | LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY Mike D. McDaniel, Ph.D., Secretary |
| | BY: Harold Leggett, Ph.D., Assistant Secretary Office of Environmental Compliance |
| THUS DONE AND SIGNED in dup | licate original before me this day of |
| | _, at Baton Rouge, Louisiana. |
| | |
| | _, at Baton Rouge, Louisiana. NOTARY PUBLIC (ID # |